

Supply on Credit Market

Corporate lending (sectors 11, 122b, 123, 124, 125, 141, 142, 2)

1. Comparison of the changes of demand and supply

Which of the following factors had in your bank the greatest impact on the change of the total volume of newly granted corporate loans in the first half of 2006 compared to the second half of 2005?

- The growth of demand from clients compared to the second half of 2005
- The decline of demand from clients compared to the second half of 2005
- The easing of credit standards compared to the second half of 2005
- The tightening of credit standards¹ compared to the second half of 2005
- Changes in interest rates and fees compared to the second half of 2005
- The changes in demand and the changes in credit standards had about the same impact
- There were no significant changes neither in demand nor in credit standards compared to the second half of 2005

2. Changes in credit standards

In the second column of the following table, please estimate how have the credit standards on corporate loans and the conditions on providing these loans changed during the first half of 2006 compared to the second half of 2005. In the second column please indicate the changes that are expected during the second half of 2006. For the purpose of the breakdown of corporates into large corporates and small and medium-sized enterprises, use your own business segmentation.

Loan type		Change in the 1 st half of 2006	Expected change in the 2 nd half of 2006
		1	2
Large corporates	Short-term loans in SKK (up to 1 year)		
	Short-term loans in foreign currency (up to 1 year)		
	Long-term loans in SKK (over 1 year)		
	Long-term loans in foreign currency (over 1 year)		
Small and medium-sized enterprises	Short-term loans in SKK (up to 1 year)		
	Short-term loans in foreign currency (up to 1 year)		
	Long-term loans in SKK (over 1 year)		
	Long-term loans in foreign currency (over 1 year)		

Please assess each change in credit standards using following scale:

- 1** – Tightened considerably
- 2** – Tightened somewhat
- 3** – Remained basically unchanged
- 4** – Eased somewhat
- 5** – Eased considerably
- N** – Appropriate type of loans is not provided

¹ The credit standards are based on the credit policy of the bank and are composed of the internal regulations and common rules that form the basis to decide whether to provide a loan to a particular client, and which terms should be applied when granting the loan. The questionnaire deals with changes in these standards including the changes in their implementation.

3. Factors influencing changes in credit standards

If your bank's credit standards on providing corporate loans changed during the first half of 2006 compared to the second half of 2005 (i.e. if you have answered the question in point 2 at least once by 1, 2, 4 or 5) please indicate the impact of the following factors on the decision about these changes.

Factors influencing changes in credit standards		Impact
Competition	Competition pressure from other banks	
	Competition pressure from non-banking institutions and the capital market	
Macroeconomic situation	Recent and expected course of the macroeconomic situation	
	Potential risks of the particular industrial sectors (specify)	
Clients	Change in the demand for corporate loans	
	Change in the quality of the supplied loans	
	Change in the potential risks of the largest clients	
Situation in your bank	Change in the capital position	
	Change in the liquidity position	
	Change in availability and profitability of alternative investment opportunities	
	Change in the system of the credit risks management	
	Change in the risk appetite	
	Change in the quality of the business loan portfolio	
Others (please specify):		

Please rate each factor using the following scale:

- 1 – Contributed considerably to the tightening of credit standards
- 2 – Contributed somewhat to the tightening of credit standards
- 3 – No influence on decisions about changes in credit standards
- 4 – Contributed somewhat to the easing of credit standards
- 5 – Contributed considerably to the easing of credit standards

Please indicate only factors that you really took into account when considering the changes in credit standards. Do not indicate factors that might influence the market in general if they have not had any impact on the decision in your bank.

4. Specific terms on corporate loans

How did the conditions for providing corporate loans changed in the first half of 2006 compared to the situation in the second half of 2005?

Specific terms on corporate loans		Change
Interest margin on the corporate loans *		
Non-interest income on the corporate loans		
Limits to the maximum amount of a loan		
Limits to the maximum maturity of a loan		
Limits to the minimum value and quality of the required collateral		
Limits to the minimum required co-financing		
Required status of the financial situation of a client (profitability, indebtedness, quality of other loans)		
Required value of the credit score or rating	in order to provide loans	
	in order to assign a client into specific price zone	
Other (please specify):		

General practice of providing corporate loans		Change
Providing loans to clients not complying with the required limit		
The rate of the discretionary powers on lower decision levels when providing loans		
Other (please specify):		

* interest margin = difference between the interest rate of a loan and a reference interest rate (e.g. BRIBOR 1M)

Please assess the changes in each term using the following scale:

- 1 – Increased considerably
- 2 – Increased somewhat
- 3 – No significant change
- 4 – Decreased somewhat
- 5 – Decreased considerably

Loans to households (sectors 143, 144, 145)

5. Comparison of the changes in demand and supply

Which of the following factors had in your bank the greatest impact on the change of the total volume of newly granted loans to households in the first half of 2006 compared to the second half of 2005?

- The growth of demand from clients compared to the second half of 2005
- The decline of demand from clients compared to the second half of 2005
- The easing of credit standards compared to the second half of 2005
- The tightening of credit standards compared to the second half of 2005
- Changes in interest rates and fees compared to the second half of 2005
- The changes in demand and the changes in credit standards had about the same impact
- Changes in the market strategy, or introducing a new product

please specify:

- There were no significant changes neither in demand nor in credit standards compared to the second half of 2005

6. Changes in credit standards

In the second column of the following table, please estimate how have the credit standards on loans to households and the conditions on providing these loans changed during the first half of 2006 compared to the second half of 2005. In the second column please indicate the changes that are expected during the second half of 2006.

Loan type	Change in the 1 st half of 2006	Expected change in the 2 nd half of 2006
	1	2
Specific purpose loans secured by real estate		
Any purpose loans secured by real estate		
Credit cards and overdrafts		
Other loans to households		

Please assess each change in credit standards using following scale:

- 1 – Tightened considerably
- 2 – Tightened somewhat
- 3 – Remained basically unchanged
- 4 – Eased somewhat
- 5 – Eased considerably
- N – Appropriate type of loans is not provided

7. Factors influencing changes in credit standards

If your bank's credit standards on providing loans to households changed during the first half of 2006 compared to the second half of 2005 (i.e. if you have answered the question in point 2 at least once by 1, 2, 4 or 5) please indicate the impact of the following factors on the decision about these changes.

Factors influencing changes in credit standards		Impact
Competition	Competition pressure from other banks	
	Competition pressure from the non-banking institutions and the capital market	
Macroeconomic situation	Recent and expected course of the macroeconomic situation	
	Development on the real estate market	
Clients	Change in the demand for households loans	
	Change in the quality of supplied loans	
Situation in your bank	Change in the capital position	
	Change in the liquidity position	
	Change in availability and profitability of alternative investment opportunities	
	Change in the system of the loan risks management	
	Change in the risks appetite	
	Change in the quality of the household loan portfolio	
Other (please specify):		

Please rate each factor using the following scale:

- 1 – Contributed considerably to the tightening of credit standards
- 2 – Contributed somewhat to the tightening of credit standards
- 3 – No influence on decisions about changes in credit standards
- 4 – Contributed somewhat to the easing of credit standards
- 5 – Contributed considerably to the easing of credit standards

Please indicate only factors that you really took into account when considering the changes in credit standards. Do not indicate factors that might influence the market in general if they have not had any impact on the decision in your bank.

8. Specific terms on loans to households

How did the conditions for providing loans to households changed in the first half of 2006 compared to the situation in the second half of 2005?

Specific terms on loans to households		Change
Interest margin on the loans to households*		
Non-interest income on the loans to households		
Limits to the maximum amount of a loan		
Limits to the maximum maturity of a loan		
Limits to the minimum value and quality of the required collateral		
Required status of the financial situation of a client (net income, quality of other loans)		
Required value of the credit score or rating	in order to provide loans	
	in order to assign into specific price zone	
Other (please specify):		

General practice of providing loans to households		Change
Providing the loans to clients not complying with the required limit		
The rate of the discretionary powers on lower decision levels when providing the loans		
Other (please specify):		

* interest margin = difference between the interest rate of a loan and a reference interest rate (e.g. BRIBOR 1M)

Please assess the changes in each term using the following scale:

- 1 – Increased considerably
- 2 – Increased somewhat
- 3 – No significant change
- 4 – Decreased somewhat
- 5 – Decreased considerably

In the following table, please report the distribution of the new loans granted in the first half of 2006. Only housing loans should be considered.

The share of the loan to the collateral value	less than 20%	at least 20%, but less than 40%	at least 40%, but less than 60%	at least 60%, but less than 80%	at least 80%, but less than 100%	more than 100%
The number of loans						
The volume of loans (in thousands SKK)						

Demand on Credit Market

9. Changes in the demand for loans

In the second column of the following table, please estimate how have the demand for loans changed during the first half of 2006 compared to the second half of 2005? In the second column please indicate the changes that are expected during the second half of 2006.

Loan type		Change in the 1 st half of 2006	Expected change in the 2 nd half of 2006
Large corporates	Short-term loans (up to 1 year)		
	Long-term loans (over 1 year)		
Small and medium-sized corporates	Short-term loans (up to 1 year)		
	Long-term loans (over 1 year)		
Households	Specific purpose loans secured by real estate		
	Any purpose loans secured by real estate		
	Credit cards and overdrafts		
	Other loans to households		

Please assess the changes in the demand on corporate loans

- 1 – Decrease considerable
- 2 – Decrease somewhat
- 3 – No significant change
- 4 – Increase somewhat
- 5 – Increased considerably
- N – Appropriate type of loans is not provided

10. Factors influencing the change in loan demand

If the demand for corporate loans or loans to households changed in the first half of 2006 compared to the situation in the second half of 2005, please indicate the weight of reasons that had the most significant impact on the situation:

Factors influencing the change of demand for corporate loans		Impact
Changes in the financing needs	Financing long-term investments	
	Financing operating capital	
	Financing mergers, acquisitions and restructuring	
	Re-paying one loan by another	
Changes in the financial position of corporates		
Changes in the interest rate and fees		
Other (please specify):		

Factors influencing the change of demand for loans to households		Impact
Financial situation of households	Change in the volume of expenditures for purchasing real estates	
	Change in the volume of expenditures for other consumption	
	Change in the income volume	
External effects	Financing from loans with other banks	
	Financing from other resources except the bank loans	
	Change in macroeconomic outlook	
	Change in the development on the real estate market	
	Change in interest rates and fees	
Other (please specify):		

Please rate each factor using the following scale:

- 1 – Contributed considerably to the decline of demand
- 2 – Contributed somewhat to the decline of demand
- 3 – No influence on decisions about changes in credit standards
- 4 – Contributed somewhat to the growth of demand
- 5 – Contributed considerably to the growth of demand

Appendix: Loans granted to developers

Supply and demand

In the second column of the following table, please estimate how have the credit standards on loans granted to developers and the conditions on providing these loans changed during the first half of 2006 compared to the second half of 2005. In the second column please indicate the changes that are expected during the second half of 2006.

Loan type	Change in the 1 st half of 2006	Expected change in the 2 nd half of 2006
	1	2
Loans granted to developers		

Please assess each change in credit standards using following scale:

- 1 – Tightened considerably
- 2 – Tightened somewhat
- 3 – Remained basically unchanged
- 4 – Eased somewhat
- 5 – Eased considerably
- N – This type of loans is not provided

In the second column of the following table, please estimate how have the demand for loans granted to developers changed during the first half of 2006 compared to the second half of 2005? In the second column please indicate the changes that are expected during the second half of 2006.

Loan type	Change in the 1 st half of 2006	Expected change in the 2 nd half of 2006
	1	2
Loans granted to developers		

Please assess the changes in the demand on corporate loans

- 1 – Decrease considerable
- 2 – Decrease somewhat
- 3 – No significant change
- 4 – Increase somewhat
- 5 – Increased considerably
- N – This type of loans is not provided

Bank:

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Contact person:

Name:	Phone number:	E-mail:
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Persons who have worked on the questionnaire:

Name	Position